



# **Staff Turnover Costs and Savings Report**

**Created for**  
**ABC Company**  
**on behalf of**  
**Dennis McMahon**  
**Sales Manager**  
**of**  
**Sales Champions**

**Date – 4<sup>th</sup> October 2006**

This **Staff Turnover Costs and Savings Report** has been created by Sales Champions for ABC Company on behalf of Dennis McMahon of Sales Champions.

The raw data that was used to create this Report has been provided by Dennis McMahon, and the calculations that have resulted in the staff turnover costs for ABC Company are based on industry experience and research.

**Raw data provided for the business, department or section under review:**

**Clerical Positions**

<b>Minimum Clerical Annual Salary -</b>	<b>27500</b>
<b>Maximum Clerical Annual Salary -</b>	<b>55000</b>
<b>Clerical staff numbers 12 months ago -</b>	<b>15</b>
<b>Clerical staff numbers today -</b>	<b>16</b>
<b>Clerical staff turnover for last 12 months -</b>	<b>4</b>
<b>Natural clerical staff turnover -</b>	<b>1</b>

NB: Natural staff turnover includes pregnancies, retirements, promotions, etc.

Disaffected turnover is all other staff who have left the business.

<b>Average time to fill clerical vacancies -</b>	<b>4 weeks</b>
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**Technical Positions**

<b>Minimum Technical Annual Salary -</b>	<b>45000</b>
<b>Maximum Technical Annual Salary -</b>	<b>85000</b>
<b>Technical staff numbers 12 months ago -</b>	<b>5</b>
<b>Technical staff numbers today -</b>	<b>5</b>
<b>Technical staff turnover for last 12 months -</b>	<b>2</b>
<b>Natural Technical staff turnover -</b>	<b>1</b>
<b>Average time to fill Technical vacancies -</b>	<b>4 weeks</b>

**Operational Positions**

<b>Minimum Operational Annual Salary -</b>	<b>35000</b>
<b>Maximum Operational Annual Salary -</b>	<b>55000</b>
<b>Operational staff numbers 12 months ago -</b>	<b>13</b>
<b>Operational staff numbers today -</b>	<b>15</b>
<b>Operations staff turnover for last 12 mnths-</b>	<b>6</b>
<b>Natural Operational staff turnover -</b>	<b>2</b>
<b>Average time to fill Operational vacancies -</b>	<b>4 weeks</b>

## Sales Positions

Minimum Sales Annual Salary -	35000
Maximum Sales Annual Salary -	75000
Sales staff numbers 12 months ago -	8
Sales staff numbers today -	10
Sales staff turnover for last 12 months -	4
Natural Sales staff turnover -	1
Average time to fill clerical vacancies -	4 weeks

## Management Positions

Minimum Management Annual Salary -	45000
Maximum Management Annual Salary -	95000
Management staff numbers 12 months ago -	5
Management staff numbers today -	6
Mngmnt staff turnover for last 12 months -	2
Natural Management staff turnover -	0
Average time to fill Management vacancies -	4 weeks

## Business, Department or Section Under Review Positions

Minimum Annual Salary -	25,000
Maximum Annual Salary -	95000
Average Minimum Annual Salary -	37,500
Average Maximum Annual Salary -	62,000
Total staff numbers 12 months ago -	46
Total staff numbers today -	52
Average staff numbers previous 12 mnths -	49
Total staff turnover for last 12 months -	18
Natural staff turnover -	5
Disaffected staff turnover -	13
Average time to fill vacancies -	4 weeks

On the following page, you will find the costs that the previous years staff turnover has cost the business, department or section under review.

Following that information are some recommendations for implementing a strategy for reducing the staff turnover and, therefore, the costs of that turnover.

## The Costs of Staff Turnover

Based on the data provided, the following staff turnover costs information has been generated:

1. Total turnover costs to the business for the business, department or section under review:

**\$1,058,091 for the past 12 months!!**

Did you think that turnover was costing you this much every year?

2. Total natural turnover costs to the business for the business, department or section under review:

**\$293,914 – this was 27.8% of your turnover and can be considered unavoidable**

3. Total disaffected turnover costs to the business for the business, department or section under review:

**\$764,177 – this was 72% of your turnover and these are the costs that you and your managers could have had a positive impact on**

4. Staff % turnover for the business for the business, department or section under review:

**36.7% (Total) = 10% Natural turnover + 26.7% Disaffected staff turnover**

5. Turnover costs to the business for the business, department or section under review per % point:

**\$28,804**

6. Average replacement costs to the business for the business, department or section under review, as a ratio to average salary:

**1.1:1 – so it cost you 1.1 times the annual salary for every person who left**

7. This figure provides the reduction in staff turnover numbers that will reduce the staff turnover % by 1% point:

**0.49 – that's right cut turnover by less than .5 of a person per year, and you'll reduce your turnover by 1% and save \$28,804. Facing the Facts**

How much more business does the business have to generate to produce \$764,177 worth of profit every year?

### What this means to you

If, by reducing your staff turnover by only 0.49 of a person (1%), you will save \$28,804, then

**Reduce it by 2.5 people (5%) and you will save 5 times that much - \$144,020!**

Read on to see the causes of disaffected staff turnover, and see how you can implement changes that may see your staff turnover fall dramatically.

## **Staff Turnover – Causes and Savings Strategy Recommendations**

Happy, motivated and productive employees are the key to your success in business. The challenge, then, is to **keep** those great employees you have got.

The major reasons that people leave you (other than natural turnover – pregnancy, retirement, promotion, etc.) are that they don't feel that they are valued sufficiently.

And their perception of value is tied up with their work expectations – what they expect of the job, the work environment and of you, their manager.

And it can be very difficult to address those expectations without an objective process to identify them and, even more importantly, a process to satisfy those expectations!

The solution is the Sales Champions "**Keep Great People**" Programme. This Programme is based on empowering the individual employee, and helps you, as their manager, to establish what they expect, and how to address those expectations.

The Programme combines:

- ◆ **The DiSC Work Expectations Profile**

- Identifies employee's expectations in 10 key areas

[read more at the www.saleschampions.com.au website](http://www.saleschampions.com.au)



- ◆ **The DiSC Behavioural Profile**

- Establishes the employee's style of working through behavioural type

[read more at the www.saleschampions.com.au website](http://www.saleschampions.com.au)

- ◆ **Employee Expectations Management Plan**

- This is a Sales Champions proprietary management tool

The **Expectations Management Plan** takes all the information that your great employees have told us about themselves through the **DiSC** and the **Work Expectations Profiles**, and gives you and your employees a roadmap to:

- Agree on actions
- Schedule implementation of actions
- Implement the plan

[Sample available on website](#)

[Read more at the www.saleschampions.com.au website-programme.html](http://www.saleschampions.com.au/website-programme.html)

- ◆ **Accountability Audit**

Makes sure the plan is delivered by:

- Monitoring progress through first 6 weeks
- 10 minute phone call fortnightly to employee and manager
- A review at the 6 week mark
- 1 x 30 minute phone or face to face (separate) session with employee and manager (depending on location)

**Result?** - Happy motivated employees - who stick around!

## What's The Investment in Keeping Great People?

Please note - investment is in AUD\$ and include 10% GST.  
Buyers outside Australia are not charged GST.

### “Keep Great People” Programme

(including all of these services)

1. DiSC Profile
2. Work Expectations Profile
3. Employee Expectations Management Plan
4. Accountability Audit

Investment per employee

**\$1297**

This is far less than the cost to you of losing any one of your employees!

If you like the idea of insurance, then you'll love this –

it's **ALWAYS CHEAPER** to keep them than to **REPLACE THEM.**

**So, do you want to keep those great people you have now?**

**Order Online at [www.saleschampions.com.au](http://www.saleschampions.com.au)**

or talk with Dennis today about how this programme can help you:

- **save money**
- **save time**
- **and keep your great people!**

**Call Dennis on 07 3255 0739 or 0438 782 161 or email at [http://www.saleschampions.com.au/email\\_enquiries.html](http://www.saleschampions.com.au/email_enquiries.html)**

## **Our Guarantee**

**If the employee leaves within 3 months,  
you will get your money back!!**

We guarantee to refund 100% of the fee if any employee leaves for another position within 3 months of going through the **“Keep Great People” Programme**.

The only condition is that you have actually implemented the recommended **Employee Expectations Management Plan**, within the agreed timeframe for that employee.

So, if they leave, we will refund the Programme fee, or if you prefer, provide another **“Keep Great People” Programme** for free.

## **Employer of Choice**

You can use this programme to make your business an **Employer of Choice** - call Dennis on 07 3255 07639 or 0438 782 161 to find out how.

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